

## Highway User Revenue Fund (HURF)

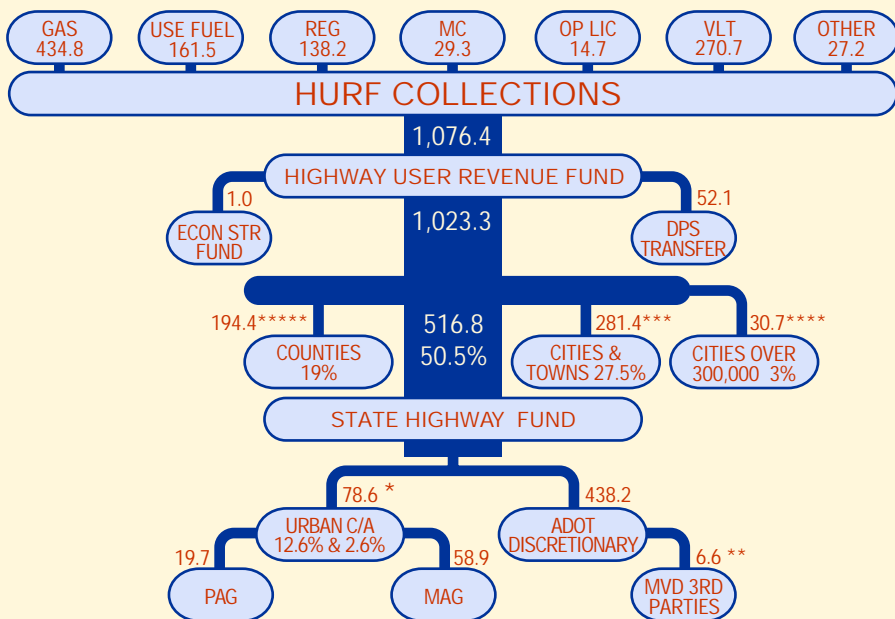
The State of Arizona taxes motor fuels and collects fees relating to the registration and operation of motor vehicles, including gasoline and use fuel taxes, motor carrier fees, motor vehicle registration fees, vehicle license taxes (VLT), and other miscellaneous fees. Revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and

counties and to the State Highway Fund. These fees and taxes are a major source of revenue to the state for highway construction, improvements and other related expenditures.

In spite of a sluggish economy, FY 2002 HURF collections totaled \$1,076.4 million, an increase of \$45.5 million or 4.4% over FY 2001 revenue collections.

Source: ADOT, Financial Management Services, HURF FY 2002 Year-End Report

## FY 2002 HURF Actual Revenue Distribution Flow (dollars in millions)



\* The 12.6% statutory and 2.6% non-statutory allocations from the State Highway Fund share of HURF distributions.

\*\* With the elimination of the VLT distribution to the State Highway Fund, a distribution is made from the State Highway Fund to MVD Third Parties for the collection of VLT.

\*\*\* One half distributed on basis of incorporated population and one half on the basis of county origin of gasoline sales and city or town population within each county.

\*\*\*\* Distributed to Phoenix, Tucson and Mesa based on population.

\*\*\*\*\* Distributed based on a portion of gasoline distribution and diesel fuel consumption and on a portion of unincorporated population. The split is as follows: 85/15 in FY 97, 80/20 in FY 98, 76/24 in FY 99 and 72/28 in FY 00 and thereafter.

# Highway Finance



## Arizona Highway User Revenue Fund Revenue Collections by Category (dollars in thousands)

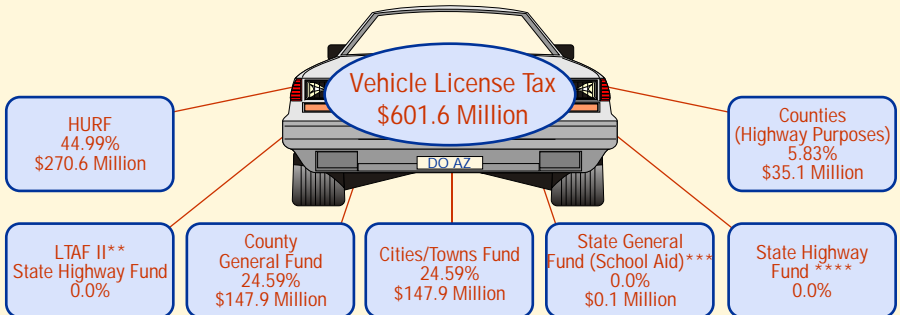
FY	GAS TAX	USE FUEL TAX	MOTOR CARRIER	LICENSE TAX	REGISTRATION	OTHER	TOTAL *
1997	363,953	124,748	90,186	175,253	101,528	41,294	896,962
1998	366,377	142,167	63,846	176,950	101,722	36,425	887,487
1999	397,463	160,312	34,150	220,126	131,952	38,775	982,779
2000	409,137	156,599	36,563	236,547	140,345	40,409	1,019,599
2001	418,400	155,859	32,678	251,613	132,269	40,147	1,030,965
2002	434,818	161,507	29,347	270,641	138,210	41,873	1,076,395

\* Details may not add to the total due to individual rounding.

## Fuel Tax Revenues in Arizona

FY	GASOLINE		DIESEL		ALL FUEL TOTAL REVENUE
	GALLONS	REVENUE	GALLONS	REVENUE	
1940	93,476,264	\$4,619,853	NA	NA	\$4,619,853
1950	197,683,180	\$9,772,422	10,496,392	\$542,820	\$10,315,242
1960	465,891,936	\$23,040,023	38,685,733	\$1,934,287	\$24,974,310
1970	834,255,832	\$57,886,910	101,217,012	\$7,085,191	\$64,972,101
1980	1,351,949,477	\$105,330,191	219,602,638	\$17,568,211	\$122,898,402
1990	1,683,748,765	\$286,237,290	311,035,547	\$52,876,043	\$339,113,333
1997	2,021,962,006	\$363,953,161	588,407,453	\$124,748,225	\$488,701,386
2002	2,545,408,146	\$434,818,000	687,590,579	\$161,507,000	\$596,325,000

## Vehicle License Tax Distribution FY 2002 Actual \*



\* The distribution percentage for each recipient based on statutory distribution.

\*\* LTAF II until September 30, 2003 and the State Highway Fund thereafter.

\*\*\* The State General Fund, along with all the other recipients, receive a share of the VLT from alternative fuel vehicles, rental vehicles and privately owned vehicles used as a school bus, ambulance or fire fighting service.

\*\*\*\* \$6.6 million was paid out of the State Highway Fund to the MVD Third Parties per HB 2026 and HB 2055 from the 1998 and 2001 legislatures, respectively. The reimbursements were previously paid from the State Highway Fund share of VLT before it was eliminated on December 1, 2000.

Source: ADOT, Financial Management Services, HURF FY 2002 Year-End Report

## HURF Distribution to Arizona Cities and Counties FY 2001-2002

COUNTY	COUNTY AMOUNT	CITY	CITY AMOUNT
Apache	\$6,199,004	Eagar	\$1,191,131
		Springerville	\$574,917
		St. Johns	\$962,617
Cochise	\$6,817,723	Benson	\$356,920
		Bisbee	\$458,836
		Douglas	\$1,085,610
		Huachuca City	\$131,380
		Sierra Vista	\$2,871,182
		Tombstone	\$114,913
		Willcox	\$282,725
Coconino	\$10,145,130	Flagstaff	\$7,771,416
		Fredonia	\$153,222
		Page	\$1,000,933
		Sedona	\$434,798
		Williams	\$417,314
Gila	\$3,177,018	Globe	\$706,297
		Hayden	\$84,039
		Miami	\$182,611
		Payson	\$1,287,910
		Winkelman	\$41,139
Graham	\$2,075,495	Pima	\$147,855
		Safford	\$686,525
		Thatcher	\$298,681
Greenlee	\$654,673	Clifton	\$192,167
		Duncan	\$60,050
La Paz	\$2,977,044	Parker	\$960,461
		Quartzsite	\$1,003,522

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*HURF Distribution to Arizona Cities and Counties FY 2001-2002*

COUNTY	COUNTY AMOUNT	CITY	CITY AMOUNT
Maricopa	\$78,141,082	Apache Junction	\$17,705
		Avondale	\$2,227,397
		Buckeye	\$486,294
		Carefree	\$180,793
		Cave Creek	\$231,317
		Chandler	\$10,946,942
		El Mirage	\$472,641
		Fountain Hills	\$1,254,816
		Gila Bend	\$123,073
		Gilbert	\$6,798,272
		Glendale	\$13,579,198
		Goodyear	\$1,174,462
		Guadalupe	\$325,016
		Litchfield Park	\$236,188
		Mesa	\$30,129,033
		Paradise Valley	\$849,451
		Peoria	\$6,719,894
		Phoenix	\$100,405,369
		Queen Creek	\$261,343
		Scottsdale	\$12,573,651
		Surprise	\$1,916,742
		Tempe	\$9,853,831
		Tolleson	\$309,570
		Wickenburg	\$316,690
		Youngtown	\$186,356
Mohave	\$9,600,944	Bullhead City	\$3,170,589
		Colorado City	\$312,808
		Kingman	\$1,884,203
		Lake Havasu City	\$3,933,158

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## HURF Distribution to Arizona Cities and Counties FY 2001-2002

COUNTY	COUNTY AMOUNT	CITY	CITY AMOUNT
Navajo	\$7,023,776	Pinetop/Lakeside	\$469,237
		Holbrook	\$646,204
		Show Low	\$1,006,018
		Snowflake	\$584,342
		Taylor	\$416,804
		Winslow	\$1,249,362
Pima	\$37,208,961	Marana	\$1,023,489
		Oro Valley	\$2,242,212
		South Tucson	\$417,681
		Tucson	\$43,757,098
		Sahuarita	\$245,354
Pinal	\$9,606,612	Apache Junction	\$2,352,179
		Casa Grande	\$1,876,861
		Coolidge	\$578,551
		Eloy	\$770,635
		Florence	\$1,139,728
		Kearny	\$167,397
		Mammoth	\$131,344
		Superior	\$241,107
		Queen Creek	\$9,017
		Winkelman	\$157
Santa Cruz	\$2,578,805	Nogales	\$2,106,681
		Patagonia	\$89,155



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## HURF Distribution to Arizona Cities and Counties FY 2001-2002

COUNTY	COUNTY AMOUNT	CITY	CITY AMOUNT
Yavapai	\$9,273,650	Camp Verde	\$779,167
		Chino Valley	\$645,324
		Clarkdale	\$282,545
		Cottonwood	\$757,505
		Jerome	\$26,784
		Prescott	\$2,794,255
		Prescott Valley	\$1,936,673
		Sedona	\$595,644
		Peoria	\$46
Yuma	\$8,952,614	Somerton	\$601,199
		San Luis	\$1,273,507
		Wellton	\$151,748
		Yuma	\$6,414,401
County Totals	\$194,432,532	Cities Totals	\$312,115,380

Source: ADOT, Financial Management Services, HURF FY 2002 Year-End Report



## Regional Area Road Fund (RARF)

The Maricopa County Transportation Excise Tax, often referred to as the "1/2 cent sales tax", is levied upon business activities in Maricopa County, including retail sales, contracting, restaurant and bar receipts, and other activities. The transportation excise tax revenues are deposited in the Maricopa County Regional Area Road Fund (RARF) which is administered by the Arizona Department of Transportation. The revenues deposited into the RARF account are the principal source of

funding for the Regional Freeway System in Maricopa County and are dedicated by statute to the purchase of right-of-way, design, and construction of controlled access highways.

The Maricopa County transportation excise tax collections totaled \$267.6 million in FY 2002, an increase of \$2.8 million or 1.1 % over FY 2001. This represents the slowest growth rate since the inception of the tax in FY 1986.

## FY 2002 Maricopa County Regional Area Road Fund

SOURCE*	REVENUE	PERCENT
Retail Sales	\$131,393,323	49.1
Contracting	\$41,217,803	15.4
Utilities	\$18,431,792	6.9
Restaurant & Bar	\$21,748,268	8.1
Rental of Real Property	\$24,529,320	9.2
Rental of Personal Property	\$13,928,408	5.2
Other**	\$16,314,429	6.1
Total	\$267,563,343	

\*Division of collections to business categories is imputed upon reported taxable income.

\*\*Other includes operations of amusement places, intrastate telecommunications services, job printing, engraving, embossing and publication, publication of newspapers, magazines, and other periodicals, intrastate transportation of persons, freight or property, and intrastate operation of pipelines for oil or natural or artificial gas.

Source: ADOT, Financial Management Services, RARF FY 2002 Year-End Report

## Federal Funding for Arizona

The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) was enacted into law on June 9<sup>th</sup>, 1998, providing Federal funding through Fiscal Year 2003. TEA-21 provides Arizona with a record amount of Federal-aid revenue. TEA-21 Arizona funding levels are expected to total \$2.7 billion over the six-year

period. This level is 80% higher than the amount provided under the prior Federal Transportation Act (ISTEA). On an average annual basis, the Department expects to receive \$348 million in Federal-aid apportionments with another \$108 million allocated to local governments.

## Estimated Federal Aid Highway Apportionments & Allocation (millions of dollars)\*

DESCRIPTION	ESTIMATED FY 02 AZ APPORTIONMENTS	ESTIMATED FY 03 AZ APPORTIONMENTS
<b>APPORTIONMENTS</b>		
Interstate Maintenance	\$119.9	\$121.2
National Highway System	127.8	129.5
Surface Transportation	143.8	145.3
Bridge	15.7	15.9
Congestion Air Quality	42.2	42.6
Highway Planning & Research	10.6	9.3
Metro Planning	3.1	3.2
Minimum Guarantee	68.0	67.8
<b>SUBTOTAL</b>	<b>\$531.1</b>	<b>\$534.8</b>
<b>APPORTIONMENT DISTRIBUTION BY ENTITY</b>		
MAG	87.0	87.9
PAG	17.7	17.9
ADOT	400.0	402.6
Optional Use by MAG, PAG & Other Locals	16.3	16.4
Other Locals	10.1	10.0
<b>SUBTOTAL</b>	<b>\$531.1</b>	<b>\$534.8</b>
<b>SPECIAL PROJECTS</b>		
Public Lands/Forest Highways	12.5	12.5
High Priority Projects	11.5	11.5
Title II Safety Projects	4.2	4.3
<b>SUBTOTAL</b>	<b>\$28.2</b>	<b>\$28.3</b>
<b>TOTAL APPORTIONMENTS &amp; ALLOCATIONS</b>	<b>\$559.3</b>	<b>\$563.1</b>

Apportionments include estimated Revenue Aligned Budget Authority (RABA).

Portion of State Transportation Funds are flexed to FTA for transit projects statewide (\$6.5 million).

\*This publication was written before the Federal Fiscal Year of 2002 was completed, therefore FY 2002 Apportionments are estimations only.

Source: ADOT, Financial Management Services, Office of Resource Administration, Federal-Aid Highway Program Federal FY 2001 Report, Statewide Transportation Improvement Program Federal FY 2002-04.



## Local Transportation Assistance Fund

Cities and towns in Arizona receive up to \$23 million each year from the state lottery fund. Each city and town receives a portion of Local Transportation Assistance Fund (LTAF)

monies based on its population. These monies must be used for any transportation purpose, except that Phoenix and Tucson must expend the monies for public transportation.

Places	FY 02 First Adjusted Total Distribution	Places	FY 02 First Adjusted Total Distribution
Apache Junction	179,079	Glendale	1,228,273
Avondale	220,818	Globe	41,003
Benson	25,879	Goodyear	124,591
Bisbee	33,277	Guadalupe	28,554
Buckeye	58,146	Hayden	10,000
Bullhead City	188,988	Holbrook	26,916
Camp Verde	53,451	Huachuca City	10,000
Carefree	16,898	Jerome	10,000
Casa Grande	148,996	Kearny	12,284
Cave Creek	21,293	Kingman	115,964
Chandler	1,020,285	Lake Havasu City	241,320
Chino Valley	44,797	Litchfield Park	20,993
Clarkdale	19,300	Mammoth	10,000
Clifton	14,168	Marana	86,073
Colorado City	20,665	Mesa	2,260,734
Coolidge	44,142	Miami	10,619
Cottonwood	53,3412	Nogales	114,600
Douglas	90,549	Oro Valley	177,550
Duncan	10,000	Page	38,082
Eagar	22,303	Paradise Valley	75,972
El Mirage	65,053	Parker	17,171
Eloy	58,282	Patagonia	10,000
Flagstaff	315,026	Payson	77,282
Florence	94,044	Peoria	639,879
Fountain Hills	115,691	Phoenix	7,342,097
Fredonia	10,000	Pima	11,083
Gila Bend	10,919	Pinetop/Lakeside	20,092
Gilbert	668,051	Prescott	195,540

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Places	FY 02 First Adjusted Total Distribution	Places	FY 02 First Adjusted Total Distribution
Prescott Valley	134,009	Surprise	209,653
Quartzsite	18,427	Taylor	18,481
Queen Creek	26,971	Tempe	870,471
Safford	51,130	Thatcher	22,166
Sahuarita	25,197	Tolleson	27,517
St. Johns	19,300	Tombstone	10,000
San Luis	93,307	Tucson	2,720,606
Scottsdale	1,146,323	Wellton	10,155
Sedona	56,945	Wickenburg	28,745
Show Low	44,142	Willcox	20,610
Sierra Vista	211,510	Williams	15,751
Snowflake	25,006	Winkelman	10,000
Somerton	41,057	Winslow	52,140
South Tucson	29,974	Youngtown	17,225
Springerville	11,029	Yuma	434,212
Superior	17,826	Total	\$23,000,000

Source: Arizona Department of Revenue



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